Disposal of Rice Mills by FCI

842. SHRI SATYA PRAKASH MALAVIYA: Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state:

(a) whether it is a fact that the management of the Food Corporation of India had recently decided to dispose of 25 Modern Rice Mills owned by it and if so what are the reasons therefor; and

(b) whether it is also a fact that the management had discontinued for quite some time reporting on the performances of the said Rice Mills in its Annual Reports and if so, since when and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI GHULAM NABI AZAD): (a) The Food Corporation of India has decided at present to dispose of fourteen out of the twenty five rice mills owned by it on account of economic non-viability.

(b) The financial results of the operation of Modern Rice Mills are not being shown in the Annual Report of FCI separately from the year 1983-84 because till these mills are disposed of they are to be treated as part of the Central operations. The financial results are, however, reported to the Government by FCI.

Interim observations of the National Commission on Urbanisation

843. SHRI CHIMANBHAI MEHTA: Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) whether it is a fact that high-powered national commission on urbanisation has been extremely critical of the administration of Urban Land (Ceiling and Regulation) Act; if so, what are the interim observations of the Commission and Government's reaction thereto;

(b) what is the surplus land as declared under the said Act;

(c) whether cess on surplus land has been suggested by the Commission, if so, what is the expected income from the cess; and

(d) whether Commission has made any recommendation regarding Rent Control Act, if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRI DALBIR SINGH): (a) The National Commission on Urbanisation, in its Interim Report has drawn the attention to certain shortcomings in the Urban Land (Ceiling & Regulation) Act and made certain recommendations as in the statement enclosed. (*See* below). Copies of the report has been circulated to State Government, Union Territory Administrations and Central Ministries/Departments for their comments and views.

(b) 1,68,182.70 Hectares.

(c) Yes, Sir. The levy of cess, even on a modest rate of Rs. 5.00 per sq. mtr. on the vacant land should possibily net approximately Rs. 600 crores per annum.

(d) Yes, Sir. The Commission has recommended that the Rent Acts be rationalised by (i) protection of existing tenancies, (ii) institutionalisation of a system of rental increases as per a prescribed formula, (iii) Delinking of non-residential tenancines from the purely residential so that commercial activity begins to pay the market rent, (iv) The offering of incentives for new construction (v) Improving the tax-base of local bodies.

Statement

Recommendations made by the National Commission on Urbanisation on Urban Land (Ceiling & Regulation) Act 1976 in its interim report

(1) The Act must remain on the Statute Book, all excess lands must be identified and notified as surplus and made liable to acquisition.

(2) All surplus vacant land must be quickly released for city development, in particular housing, with special emphasis on housing for the middle and lower income groups and the economically weaker sections.

(3) In order that the owners of surplus land be encouraged to use it for house construction rather than indulge in unnecessary litigation to retain it, they may be permitted, with a minimum of formality, to build housing units of the prescribed limit of 80 square metres of plinth area.

(4) If the owners are unable to construct such dwellings, they may be permitted to transfer the land to a cooperative housing society which may either develop Group Housing or make land available in plots of not more than 100 sq. mts. to its members for house construction.

(5) The facility mentioned in items (3) and (4) above will be available for five years from the prescribed date. If within this period the land has not been utilised as above, the provisions of sections 10, 11 and 14 of the Act will be applied *ipso-facto*.

(6) During the period of 5 years permitted for utilisation of the land in the prescribed manner, the surplus vacant land should be subject to a cess|tax. The amount of such cess|tax should be Rs. 3|- per square metre in category D towns. In category C, B and A towns, the Central or State Government, by general or special notification may prescribe a cess|tax ranging from Rs. 5 to Rs. 50|- per square metre, depending on location, value etc. of land. This tax|cess will be applicable to vacant Government land also. where land is held by a Housing Cooperative Society as plotted development the society will be responsible for paying the cess|tax on all unbuilt plots.

(7) The land owner will cease to pay cess|tax on completion of construction equivalent to atleast 50 per cent of the prevailing FAR|FSI.

(8) Where within the prescribed period of five years the land has been brought under construction, but the said construction is in violation of the prescribed use of plinth area, a penalty amounting to a hundred times the prescribed vacant land cess|tax shall be imposed on the holders of the land. Such a penalty will be recoverable as arrears of land revenue. Alternatively, the State will have the option to confiscate the land and the structures built thereon.

(9) Include under Section 19 properties consisting of buildings and lands notified as being of archeaological, historical and cultural significance by a Competent Authority.

(10) Recognising that the State must continue to provide land and shelter to the urban poor, the Commission recommends that the entire proceeds of the vacant land cess|tax and penalties for misuse be credited to a Shelter Fund. The proceeds of the shelter fund would be wholly applied to the city from which it is collected and will be specifically utilised for land acquisition and development of serviced sites for the urban poor and for construction of housing for them. On a very conservative estimate deducting from the declared surplus vacant land of 1.66 lakhs hectares approximately 43000 hectare, for which exemption has been given leaves a balance of 1.23 lakhs hectares. Even on a modest rate of Rs. 5 per per square metre it should be possible to get approximately Rs. 600 crores per annum for the Shelter Fund.

Production of rice

844. SHRIMATI KANAK MUKHERJEE: Will the Minister of AGRICULTURE be pleased to state:

(a) the total production of rice in the country during the years 1984-85, 1985-86 and 1986-87; and

(b) the total production of rice in each rice growing State, year-wise, during the above period?

THE MINISTER OF STATE IN THE DEPARTMENT OF AGRICULTURE AND COOPERATION IN THE MINISTRY OF AGRICULTURE (SHRI YOGENDRA MAKWANA): (a) The total production of rice in the country during the crop year 1984-85 was 58.34 million tonnes and in the